

ORIGINAL

GARKANE POWER ASSOCIATION, INC.

TARIFF NUMBER COGEN-1

OPTIONAL TARIFF FOR SUPPLEMENTARY, STANDBY AND MAINTENANCE
POWER SALES TO QUALIFYING FACILITIES EXCEEDING 100 KW

I. AVAILABILITY

Available to all qualifying facilities (QF) exceeding 100 kilowatts (KW) within the certificated service territory of Garkane Power Association, Inc. (GARKANE) where such Facilities are of an adequate capacity and are adjacent to the point of delivery.

II. APPLICABILITY

Applicable to cogenerators and small power producers with generating facilities exceeding 100 KW that qualify under the Public Utility Regulatory Policies Act of 1978 (PURPA) as a QF consistent with the regulations established under 18 CFR, Chapter I, Part 292, Subpart B of the Federal Energy Regulatory Commission (FERC) Regulations.

III. SUPPLEMENTARY POWER

A. Definition of Supplementary Power

Supplementary power is the KW capacity and related kilowatt hours (KWH) of energy purchased by the QF in excess of the production capability of the QF's generating equipment.

B. Rates

The rates charged for supplementary power shall be the current rate schedule of GARKANE which is applicable to meet the QF's supplementary needs for service or such other rate as agreed to by the parties.

C. Determination of Supplementary Energy

Supplementary energy shall be equal to the KWH metered to the QF, less any KWH billed as standby or maintenance energy.

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ORIGINAL

Determination of Supplementary Demand
Supplementary demand shall be the greater of:

1. The metered demand, measured in accordance with the Associations applicable rate schedule, less any standby and maintenance demand;
2. Or, the minimum billing demana specified in the QF's contract.

IV. **STANDBY AND MAINTENANCE POWER**

A. **Definition o: Standby and Maintenance Power**

Standby and maintenance power is the KW capacity and related KWH energy purchased by the QF attributable to forced or scheduled outages by the QF, respectively.

B. **Rates**

The reservation or demand charge for standby power shall be as specified in Attachment A per KW of billing demand per month. The monthly demand billed shall be that specified in the Standby and Maintenance Contract. The rate applicable to standby and maintenance energy shall be as specified in Attachment A per KWH at the Point of Delivery.

C. **Determination of Standby Energy**

Standby Energy is defined to be the electric energy supplied by GARKANE to replace energy ordinarily generated by the QF's generation facility during unscheduled full and partial outages of said facility.

Standby Energy is equal to the difference between the maximum power output of the QF's generator(s), as specified in the Standby and Maintenance Contract, and the power measured on the QF's generator meter(s) for the billing period, except those periods where power supplied by GARKANE is zero.

D. **Determination of Maintenance Energy**

Maintenance Energy is defined as the energy supplied to the QF during a Scheduled Maintenance Period. Maintenance Energy is the maximum output capability, as specified in the Standby and Maintenance Contract, times the maintenance hours in the Scheduled Maintenance Period.

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ORIGINAL

Scheduled Maintenance Periods shall not exceed thirty (30) days and must be scheduled during off peak months. The QF shall supply GARKANE with a maintenance schedule for a twelve (12) month period at least sixty (60) days prior to the beginning of that period. This schedule shall be subject to the approval of GARKANE. Maintenance energy used in excess of the authorized thirty (30) day period shall be billed as supplementary power as set forth in Section III.

E. Adjustments to Standby and Maintenance Energy Rates

During the last week of each calendar month GARKANE shall notify the QF through its designated representatives of the rate applicable to the standby and maintenance energy based upon incremental costs to the delivery point of the QF for the subsequent calendar month. Such rate shall replace the energy rate set forth in paragraph IV.(B) above.

F. Standby and Maintenance Power Limitations

The forced outage factor will be adjusted annually based on the actual performance of the qualifying facility. The actual forced outage rate will be applied retrospectively to the preceding twelve (12) months as well as serve as the estimated forced outage factor for the current year.

V. BASIC SERVICE CHARGE

The monthly Basic Service Charge shall be the service charge contained in GARKANE'S applicable rate schedule for supplementary power sales

VI. CONDITION OF SERVICE

Service to QF'S under this rate schedule are subject to the negotiated terms and conditions set forth in the contract between GARKANE and the QF.

VII. INTERCONNECTION CHARGES

The QF shall pay all costs associated with any and all additions, or alterations to GARKANE'S electric system necessitated or incurred in the establishment and operation of the interconnection contemplated by the QF, including but not limited to any and all modifications required for the metering of power and energy or for the efficient, safe and

ORIGINAL

reliable operation of the QF's facilities with GARKANE's electric system.

VIII. FACILITY CHARGE ON DEDICATED FACILITIES

The QF shall be required to pay GARKANE a monthly facilities charge to recover all related costs of any dedicated facilities previously constructed to serve the QF on a firm basis.

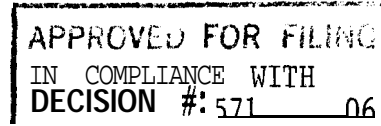
IX. OTHERBILLING ADJUSTMENTS

A. The foregoing rates are subject to the imposition of any wholesale power adjustment and other changes in rates which may be established and approved for billing by the Arizona Corporation Commission from time to time.

B. Total monthly sales to a QF for supplementary, standby and maintenance power are subject to adjustment for all federal, state and local government taxes or such levies on such sales and any other assessments that may be imposed by state or federal regulatory agencies on utility gross revenues.

X. EFFECTIVE DATE

This rate schedule is effective OCT. 1, 1990



ORIGINAL

GARKANE POWER ASSOCIATION, INC.

ATTACHMENT

OPTIONAL TARIFF FOR SUPPLEMENTARY STANDBY AND MAINTENANCE
POWER SALES TO QUALIFYING FACILITIES EXCEEDING 100 KW

RATE SCHEDULE COGEN-1

(1) BASIC SERVICE

Cogeneration Basic Service Charge	\$10.00 per month
Plus, For Each Generator Meter	\$25.00 per month

(2) STANDBY SERVICE

Standard Option

Monthly Reservation Charge per KW of Contract Standby Capacity	\$ 3.94 per month
Energy Charge	\$ 0.0652 per kwh

Interruptible Option

Energy Charge	\$ 0.0652 per kwh
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(3) MAINTENANCE SERVICE

Energy Charge	\$ 0.0652 per kwh
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